

Toll Operations Benchmarks and Incentives Report

Office of Financial Management and
Department of Transportation
Presentation to Transportation Commission
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Background

- 2008 Supplemental Budget directed:
 - Office of Financial Management (OFM) to develop a benchmark study on tolling operations
 - Department of Transportation (DOT) to prepare a report on incentives to control tolling operations costs
- OFM and DOT are combining these two reports into one to maximize use of resources
- Focus will be on existing DOT tolled facilities to:
 - Assess whether the operational costs are appropriate
 - Identify incentives for users, contractors, and DOT in order to create cost efficiencies
 - Evaluate the right balance between contractor and state responsibilities

Study Approach

- WSDOT contracted with PBS&J to:
 - Evaluate cost of toll facilities on Tacoma Narrows Bridge and SR 167 in comparison to other tolled facilities across the country
 - Develop toll operating cost benchmarks based on that evaluation
 - Develop incentives to reduce and control tolling operation costs
- PBS&J, WSDOT, and OFM will meet with TNB Citizen Advisory Committee on October 28
- Draft report due in November

Limitation of Benchmarks

- Not all tolled facilities are equal
 - Ferries are included as part of the Golden Gate Bridge's Operating Costs
 - SR 91 is 100% electronically tolled
- Tolling SR 520 would be substantively different from the Tacoma Narrows Bridge or SR 167 HOT Lanes.
 - Volumes
 - All electronic
 - Potential early or variable tolling

Tolling Operations Benchmarks-Facilities

- Need to use a mix and match approach to find similarities between facilities
- Benchmarks will be based on facilities studied by WSDOT in February 2007, such as:
 - E-470 (Colorado), Golden Gate Bridge (California), Lake Pontchartrain (Louisiana)
- Characteristics of these facilities provide good comparables because they contain some similarities to the Tacoma Narrows Bridge and the SR 167 HOT Lanes such as modern electronic tolling, size of facility, similar operating structures, etc.

Tolling Operations Benchmarks-Measures

- Operational measures that we are looking at include:
 - Toll collection operating cost as a percentage of annual toll revenue
 - Average toll collection operation cost per toll transaction
 - Percentage of electronic vs. manual toll transactions
 - Number of electronic toll customer accounts per employee (state or consultant)

Finding Efficiencies to Reduce Costs

- Systemwide approach
 - One back office
 - Common equipment (transponders, shields)
 - One stop shopping (one account for customers who use multiple facilities)
- Method of collecting tolls
 - Electronic vs. Manual
- Fiscal efficiencies
 - Collecting bad debt
 - Charge for transponders/shields
- Administrative Efficiencies
 - Office location, hours of operation
 - Balance of state employees and contractors
- Coordination with State Patrol/Courts
 - Photo verification
 - Enforcement
 - Incident Response

Using incentives to reduce operating costs

- OFM and DOT are evaluating potential incentives to reduce operating costs, including:
 - Customer
 - Reduce credit card fees by using automated check handling
 - WSDOT/WSP
 - Time to reduce collisions (rates)
 - Contractor
 - Use performance based contracts

Accountability

- Contractual requirements of vendors
 - 99.5% toll system accuracy
 - Handling 80% of inbound calls within 30 seconds
 - Correctly entering 99.9% of license plate review data on the first try
- Track benchmarks through future Attainment Reports